

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2585 - SB 2675

March 21, 2022

SUMMARY OF BILL AS AMENDED (016108): Makes various changes to the manner in which election officials must audit elections. Requires staff of the Division of Elections (Division) to provide training on how to conduct audits and to attend training regarding the United States Government Accountability Office's generally accepted government auditing standards.

Requires the Secretary of State (SOS), to randomly select county election commissions that must conduct an audit after each August and November election, beginning in 2024.

Requires Williamson County, as a pilot program, to conduct automatic mandatory audits after each election conducted in 2022. Prescribes the manner in which such audits must be conducted. Deletes this specific requirement on January 1, 2023.

Requires county election commissions to post certain instructions in polling places where precinct-based optical scanners are utilized. Requires voting machine technicians to certify in writing that the proper firmware is loaded on each unit of voting equipment and that the system settings are correct when inspecting precinct-based optical scanners.

FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Expenditures - Exceeds \$190,900/FY24-25
\$90,900/FY25-26 and Subsequent Years**

Assumptions for the bill as amended:

- The proposed legislation would require the Division to conduct and coordinate audits, attend and conduct trainings, and report audit findings.
- In order to comply with the provisions of the proposed legislation, the Division will require one additional Certified Public Accountant (CPA) position beginning in FY24-25.
- There will be a recurring increase in state expenditures of \$90,885 (\$72,000 + \$18,885 benefits) in FY22-23 and subsequent years.
- The changes in audit processes in the proposed legislation are not estimated to have a significant impact on the operations of local government.
- County election commissions are currently required to complete election audits under certain circumstances.

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- For elections in 2024, the costs of audits performed by county election commissions may be paid out of the state treasury upon certification of claims by the SOS, at a rate not to exceed \$50 in audit set up costs per machine and \$0.35 per ballot audited.
- It is unclear how many claims will be approved by the SOS, but it is reasonably estimated that state expenditures for election audits will exceed \$100,000 in FY24-25.
- The proposed legislation would require Williamson County to conduct an audit of ballots for the governor after the November 2022 election and an audit of the race for the highest countywide office after the May and August 2022 elections.
- To perform the audits, the county election commission would be required to randomly select at least one precinct-based optical scanner from a convenience voting center in the county and at least one precinct to audit the absentee by-mail ballots cast in the precinct.
- Based on information provided by the Division of Elections, it is estimated that the Williamson County election commission can perform the required audits within existing resources.
- Pursuant to Tenn. Code Ann. § 2-7-111, the officer of elections at each polling place is responsible for posting sample ballots, voting instructions, and other materials.
- County election commissions utilizing precinct-based optical scanners can place additional instructions in polling places utilizing existing resources, if they are not doing so already.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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